

ATTACHMENT 4

Mello Act Policy Options Comparison Table

MELLO ACT POLICY OPTIONS

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Issue	Mello Act	Draft County Policy	Policy Options ¹	Comments
Determination of feasibility	<p>The replacement dwelling units shall be located on the site of the converted or demolished structure or elsewhere within the coastal zone if feasible....In the event that an existing residential dwelling unit is occupied by more than one person or family, the provisions of this subdivision shall apply if at least one such person or family, excluding any dependents thereof, is of low or moderate income....</p> <p><i>Government Code 65590 (b)</i></p> <p>New housing developments constructed within the coastal zone shall, where feasible, provide housing units for persons and families of low or moderate income...</p> <p><i>Government Code 65590 (d)</i></p> <p>Any determination of the "feasibility" of an action required to be taken by this section shall be reviewable pursuant to the provisions of Section 1094.5 of the Code of Civil Procedure.</p> <p><i>Government Code 65590(e)</i></p> <p>"Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technical factors.</p> <p><i>Government Code 65590(g)(3)</i></p>	<p>The project feasibility analysis must include:</p> <p>An evaluation of impacts created by incentives available to the applicant such as density bonuses; development standards relief; and available state and local assistance programs....</p> <p>An estimate of the developer's return that would be generated by the project....</p> <p>An evaluation of whether or not the project can be successfully completed within a reasonable period of time, taking into account economic, environmental, social and technical factors.</p> <p><i>Draft Policy Pages 7,9</i></p>	<p><input type="checkbox"/> 1. Determine feasibility on a case-by-case basis.</p> <p><input type="checkbox"/> 2. Conduct an upfront technical study to determine requirements.</p>	<p>The advantage of determining the feasibility of providing replacement and inclusionary units on a case-by-case basis is that it considers the uniqueness of sites and market conditions over time. However, the disadvantage is that it does not provide certainty, and the deliberations over feasibility could be subject to delays in the entitlement process.</p> <p>The advantage of completing an upfront technical feasibility study is that it provides clarity in how feasibility is determined. The disadvantage is that it may be more appropriate to determine feasibility, according to the circumstances of the project, including market conditions at the time in which the project is proposed. In addition, the upfront technical study will may be expensive and time-consuming to produce. As there are only four housing developments coming forward for entitlements in the remainder of second generation Marina redevelopment, there are concerns that a technical feasibility study would not be worthwhile.</p>
Determination of inclusionary housing units	<p>New housing developments constructed within the coastal zone shall, where feasible, provide housing units for persons and families of low or moderate income...</p> <p><i>Government Code 65590 (d)</i></p>	<p>The applicant must set aside a percentage of the new units as affordable units, subject to an analysis of the project's feasibility on a case-by-case basis. The County's goal is to have each applicant set-aside either 5% of the units for very-low income households, or 10% of the units for low income households.</p> <p>...</p> <p><i>Draft Policy Page 8</i></p>	<p><input type="checkbox"/> 1. On a case-by-case basis, determine the feasible number of inclusionary housing units that the applicant must provide, with percentage goals of 5% very low income households or 10% low income households.</p> <p><input type="checkbox"/> 2. Provide alternative inclusionary percentage goals, such as:</p>	<p>The advantage of a case-by-case determination is the flexibility to consider the uniqueness of sites and market conditions over time.</p> <p>Setting percentage goals for inclusionary units informs lessees of the County's affordable housing expectations, with some flexibility for unique circumstances and changing market conditions. The draft policy goals have been set based on the qualifying thresholds set by State Density Bonus Law, which offers 20% density bonuses for setting aside either 5% very low income or 10% lower income units within a project.</p> <p>The advantage of conducting an upfront technical feasibility study is that it provides a sound, technical basis for imposing appropriate and feasible inclusionary housing requirements, as well as certainty to lessees. However, conducting a technical feasibility study may be expensive and time-consuming, and lessees would still be permitted to</p>

¹ All options in bold are proposed in the current draft policy.

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Determination of inclusionary housing units—(continued)			<input type="checkbox"/> 10% very low income households <input type="checkbox"/> 20% low income households <input type="checkbox"/> ____ % very low, low or moderate income <input type="checkbox"/> 3. Conduct a technical feasibility study upfront to determine the appropriate percentage requirement for the inclusionary housing obligation.	challenge the inclusionary housing requirements based upon feasibility on a case-by-case basis. As it is anticipated that there are only four housing developments coming forward for entitlements in the remainder of second generation Marina redevelopment, there are concerns that a technical feasibility study would not be worthwhile.
Determination of inclusionary housing units—Calculation	<p>New housing developments constructed within the coastal zone shall, where feasible, provide housing units for persons and families of low or moderate income...</p> <p><i>Government Code 65590 (d)</i></p>	<p>The inclusionary housing obligation will be imposed separately from any replacement housing obligations being applied to the project.</p> <p>... The on-site inclusionary housing obligation will be calculated based upon the net incremental new units (fractional units under 0.5 are to be rounded down) to be constructed or converted in the following manner:...</p> <p><i>Draft Policy Page 8</i></p>	<input type="checkbox"/> 1. Calculate the inclusionary housing units based upon the net incremental new units. <input type="checkbox"/> 2. Provide alternative calculation method, such as: <input type="checkbox"/> Exclude only required affordable replacement units from inclusionary obligation. <input type="checkbox"/> Require inclusionary obligation and credit qualifying affordable replacement units toward meeting an overall percentage goal that is calculated over the total project.	<p>The exclusion of existing units, prior to demolition or conversion, from the calculation of inclusionary units follows the structure of the Mello Act, which treats the replacement of affordable housing units separately from the inclusion of affordable housing units in new development.</p> <p>Consideration of alternative calculation methods will result in an increased number of affordable units. However, alternative calculation methods that increase the number of inclusionary units will also result in higher costs to lessees and the County, and may increase the likelihood of on-site infeasibility and may encourage lessees to seek off-site placement instead.</p>
Determination of replacement income targeting	<p>The conversion or demolition of existing residential dwelling units occupied by persons and families of low or moderate income... shall not be authorized unless provision has been made for the replacement of those dwelling units with units for persons and families of low or moderate income. ... The replacement dwelling units shall be located on the site of the converted or demolished structure or elsewhere within the coastal zone if feasible.... In the event that an existing residential dwelling unit is occupied by more than one person or family, the provisions of this subdivision shall</p>	<p>Replacement units must be set aside as very low, low or moderate income rental units based on comparison of the monthly rent at the commencement of term street negotiations for the unit to be demolished or converted to the affordable housing rental rates published annually by the CDC.</p> <p>...</p>	<input type="checkbox"/> 1. Units occupied by low-or-moderate income persons or families replaced with units set aside for low-or-moderate income persons or families based upon comparison of monthly rent. <input type="checkbox"/> 2. Like-for-Like Replacement: Units occupied by very low income households replaced by units set-	<p>Compliance with the replacement unit requirements of the Mello Act will result in the replacement of market rate units with income-restricted units because the determination of replacement is based upon income of the occupants, not on the rent charged to those occupants. While the draft policy requires the designation of replacement units based on income of occupants as required by the Mello Act, it permits the designation of income level restriction for the replacement unit based upon the rent charged for the unit to be replaced. The advantage of the rent comparison is that it allows for flexibility in providing replacement units for a range of low and moderate income individuals and families, while potentially ameliorating some of the financial effects of converting market rate units to affordable units. The disadvantage, however, is that lessees will most likely opt for moderate income restricted units.</p>

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Determination of replacement housing units—Income targeting (continued)	apply it at least one such person or family, excluding any dependents thereof, is of low or moderate income.... <i>Government Code 65590 (b)</i>	<i>Draft Policy Page 7</i>	<p>aside for very low income households (30% AMI-50% AMI); units occupied by lower income households replaced by units set-aside for lower income households (50%AMI-80%AMI); units occupied moderate income households replaced by units set-aside for moderate income households (80%AMI-120%AMI).</p> <p><input type="checkbox"/> 3. Flexible Like-for-Like Replacement: Moderate income units may not replace lower or very low income units, but lower or very low income units may be replaced by either lower or very low income units.</p>	The advantage of like-for-like replacement is that it will provide affordable units that correspond with the income levels of the individuals and families who are displaced. However, the disadvantage of like-for-like is that it is not as flexible, and can result in additional costs.
Determination of replacement housing units—Number of bedrooms	The conversion or demolition of existing residential dwelling units occupied by persons and families of low or moderate income...shall not be authorized unless provision has been made for the replacement of those dwelling units with units for persons and families of low or moderate income. ...The replacement dwelling units shall be located on the site of the converted or demolished structure or elsewhere within the coastal zone if feasible. ...In the event that an existing residential dwelling unit is occupied by more than one person or family, the provisions of this subdivision shall apply if at least one such person or family, excluding any dependents thereof, is of low or moderate income.... <i>Government Code 65590 (b)</i>	The applicant is required to replace each unit that is determined to be occupied by low or moderate persons or families on a one-for-one basis (per number of bedrooms).... Applicants must provide the identified replacement housing units on-site or elsewhere within the Coastal Zone unless the applicant can demonstrate that such placement is not feasible. ... <i>Draft Policy Pages 6,7</i>	<p><input type="checkbox"/> 1. One-for-One bedroom replacement.</p> <p><input type="checkbox"/> 2. One-for-One unit replacement.</p>	The advantage of one-for-one bedroom replacement is that it corresponds more accurately with replacement of the unit according to the affordable household. However, the disadvantage is that it does not necessarily replace the unit that was occupied by at least one person or family of low or moderate income.
Determination of replacement housing units—Exceptions for resident management employees	Not specified.	Units occupied by resident management employees will not be considered in determining the applicant's replacement housing obligation for purposes of Mello Act compliance (with a limit of one management unit per seventy-five residential units). ... <i>Draft Policy Page 4</i>	<p><input type="checkbox"/> 1. Exclude units occupied by resident management employees from replacement housing obligation with a limit of one for each 75 units.</p> <p><input type="checkbox"/> 2. Include units occupied by resident management employees who meet income requirements.</p>	Resident management employee units were excluded in the draft policy because they are not tenants, they are employees. The advantage of excluding units occupied by resident management employees is that it does not burden lessors with replacing their management units with affordable units which may not then be useable by later resident management employees who are not income-qualified, thus requiring a further reduction of market rate units to house those employees. The disadvantage, however, is that a resident management employee occupying the unit may fit the income level that requires replacement, even if the resident management employee is technically considered an employee and not a tenant.

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Determination of replacement housing units—Exceptions for students	Not specified.	Students that are claimed as a dependent on their parent's federal tax return or whose parent(s) are guarantors on the rental/lease agreement must include parental household income information on the tenant income survey to determine affordable housing eligibility of their unit for the purposes of Mello Act compliance. <i>Draft Policy Page 4</i>	<input type="checkbox"/> 1. Consider income of parents where students are claimed as dependents or where rent is guaranteed by parents. <input type="checkbox"/> 2. Consider income of students only.	Considering parental income will provide a more accurate accounting of the income eligibility of students in order to avoid overstating the number of replacement units. However, the disadvantage is that the process to verify and monitor student status requires additional resources from the County.
Determination of replacement housing units—Exceptions for sub-lessees	Not specified.	[...]Financial information obtained from resident(s) subleasing directly from the legal occupant, but not named on the original lease/rental agreement (i.e., non-family roommates), will not be considered in determining the applicant's replacement housing obligation for the purposes of the Mello Act. <i>Draft Policy Page 4</i>	<input type="checkbox"/> 1. Exclude sub-lessees and sub-tenants who are not legal occupants in determining the replacement housing obligation. <input type="checkbox"/> 2. Include information on sub-lessees or sub-tenants in determining the replacement housing obligation.	The advantage of excluding sub-lessees and sub-tenants is that it simplifies the income survey process, and addresses replacement unit obligations only for those who have a contractual right to occupy the unit. However, the disadvantage is that the incomes associated with the individuals named on the lease may not necessarily reflect the true income status of the occupants living in the unit.
Determination of replacement housing units—Roommates	In the event that an existing residential dwelling unit is occupied by more than one person or family, the provisions of this subdivision shall apply if at least one such person or family, excluding any dependents thereof, is of low or moderate income.... <i>Government Code 65590 (b)</i>	Unmarried and unrelated tenants who wish to be treated as separate individuals rather than as a household must declare under penalty of perjury the following: They are not registered partners; Neither party claims employment benefits received by the other party (i.e. health insurance, etc.); They do not share a bank account together; and They do not own real property together. <i>Draft Policy Pages 5,6</i>	<input type="checkbox"/> 1. Allow unmarried and unrelated tenants to be treated as separate individuals. <input type="checkbox"/> 2. Treat related, financially non-dependent individuals independently.	The draft policy treats occupants of a unit as a household for the purpose of determining replacement units, unless they affirmatively declare that they meet the requirements for being treated as individuals. The advantage of this requirement is that it avoids having to designate a replacement unit for a person who meets the income requirements as an individual, but is being supported financially by another occupant, who is not their spouse or blood relative, and who does not meet the income requirements. The requirement also allows persons in non-traditional relationships to be treated as households if they so wish, without having to make an affirmative declaration regarding the status of their relationship with the other occupants. However, the disadvantage is that in a few instances, it may exclude certain persons from consideration as individuals (i.e., financially independent siblings living together).
Determination of replacement housing units—When income information is not available	Not specified.	Affordable housing eligibility for units with tenants that do not respond to the income survey will be determined using tenant income information no more than two years old contained in the applicant's files, or in the absence of such income information, using the average of the previous year's monthly rent compared to the average affordable monthly rental	<input type="checkbox"/> 1. Additional steps of inquiry, such as using rents, etc. to exercise due diligence. When the tenant does not respond to the survey and income information is not available, deem unit market-rate. <input type="checkbox"/> 2. Additional steps of inquiry, such as	The advantage of adding additional steps of inquiry is that it provides due diligence to collect the income information necessary to determine the number of replacement units. The disadvantage is that using rent as a proxy to determine income, in particular, has the potential to be inaccurate, as an individual or family of low or moderate income could be paying market rate rent. The advantage of deeming a unit occupied by low or moderate income persons or families as a replacement unit, when the income information is not available, is that it provides an incentive to the lessees to provide the information requests and ensures that units will be

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		<p>rates for the same year as noted below:</p> <p>If the average monthly rent for the unit is less than or equal to the average monthly affordable rent for a very-low income household, the unit will be considered to be occupied by a very-low income person or family.</p> <p>If the average monthly rent for the unit is less than or equal to the average monthly affordable rent for a low income household, the unit will be considered to be occupied by a low income person or family.</p> <p>If the average monthly rent for the unit is less than or equal to the average monthly affordable rent for a moderate income household, the unit will be considered to be occupied by a moderate income person or family.</p> <p>If the average monthly rent for the unit is greater than the average monthly affordable rent for a moderate income household, the unit will be deemed a market-rate unit.</p> <p><i>Draft Policy Page 5</i></p>	<p>using rents, etc. to exercise due diligence. When the tenant does not respond to the survey and the income information is not available, deem the unit occupied by low or moderate income persons or families.</p>	<p>replaced regardless of whether or not the information is provided. However, the disadvantage of deeming a unit affordable is that it places a burden on the lessee to provide additional affordable units that may not accurately reflect the number of low and moderate income households occupying units.</p>
<p>Off-site replacement and inclusionary housing units</p>	<p>[REPLACEMENT UNITS]</p> <p>....Replacement dwelling units shall be located within the same city or county as the dwelling units proposed to be converted or demolished.... If location on the site or elsewhere within the coastal zone is not feasible, they shall be located within three miles of the coastal zone....</p> <p><i>Government Code 65590 (b)</i></p> <p>[INCLUSIONARY UNITS]</p> <p>....Where it is not feasible to provide these housing units in a proposed new housing development, the local government shall require the developer to provide such housing, if feasible to do so, at another location</p>	<p>[REPLACEMENT UNITS]</p> <p>If on-site or Coastal Zone replacement is determined to be infeasible, the units shall be provided at an off-site location in the following priority order:</p> <p>Within three miles of the Coastal Zone in the unincorporated territory of Los Angeles County; or</p> <p>Within three miles of the Coastal Zone in the incorporated territory of Los Angeles County.</p> <p>Off-site units can be new construction or the substantial rehabilitation of existing</p>	<p><input type="checkbox"/> 1. When permitted by the Mello Act, allow for the provision of off-site replacement or inclusionary units within the Coastal Zone or within three miles of the Coastal Zone in either the unincorporated or incorporated areas of Los Angeles County, with priority given to the unincorporated areas.</p> <p><input type="checkbox"/> 2. When permitted by the Mello Act, require the provision of off-site replacement or inclusionary units within the Coastal Zone or within three miles of the Coastal Zone in the unincorporated areas</p>	<p>The advantage of allowing the provision of off-site affordable units within other jurisdictions, when infeasible to do so within the unincorporated area, is that it creates additional opportunities to provide affordable housing. Vacant land and sites of sufficient size with zoning and general plan land use policy designations that are suitable for the development of affordable housing—which is generally medium to high density—within the unincorporated communities of the coastal zone (Marina del Rey, Catalina Island, Santa Monica Mountains) are scarce. However, one disadvantage is that it may be difficult to monitor and enforce affordable units located within other jurisdictions. In cases where the off-site units are provided within the Coastal Zone, the project would be subject to another jurisdiction's Mello Act requirements, which raises the concern over double-counting when meeting separate requirements. Furthermore, another disadvantage is that the provision of off-site units within another jurisdiction would not count the units toward meeting the goals of the County's Housing Element.</p>

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	within the same city or county, either within the coastal zone or within three miles thereof. <i>Government Code 65590 (d)</i>	units. The obligation to construct or rehabilitate affordable replacement housing units off-site will be the sole responsibility of the applicant. <i>Draft Policy Pages 7, 8</i> [INCLUSIONARY UNITS] If on-site development of the inclusionary housing units is determined to be infeasible based upon the project feasibility analysis, the units must be provided at an off-site location in the following priority order: In the Coastal Zone within the unincorporated territory of Los Angeles County; Within three miles of the Coastal Zone in the unincorporated territory of Los Angeles County; In the Coastal Zone within the incorporated territory of Los Angeles County; or Within three miles of the Coastal Zone in the incorporated territory of Las County. The off-site inclusionary units can be new construction or substantial rehabilitation. The obligation to construct or rehabilitate affordable housing inclusionary units off-site will be the sole responsibility of the applicant. <i>Draft Policy Pages 9, 10</i>	only.	
Off-site replacement and inclusionary housing units (continued)				
Term of affordability	Not specified.	[REPLACEMENT UNITS] The applicant shall record a covenant guaranteeing that the relevant affordable	<input type="checkbox"/> 1. At least 30 years, to be consistent with the duration of affordability required for density bonuses and	The advantage of having a long duration of affordability is to maximize the effectiveness of setting aside units for low or moderate income households. However, the longer the duration of affordability for replacement and inclusionary units, will increase the likelihood of financial infeasibility and increase the loss of County revenue from the project.

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		Income and rent requirements for each replacement unit will be observed for at least 30 years from the issuance of the Certificate of Occupancy. <i>Draft Policy Page 6</i> (REPLACEMENT AND INCLUSIONARY UNITS) The applicant shall record a covenant guaranteeing that the relevant affordable income and rent requirements for each replacement and inclusionary unit will be observed for at least 30 years from the issuance of the Certificate of Occupancy. <i>Draft Policy Page 10</i>	<input type="checkbox"/> other conventional financing. <input type="checkbox"/> 2. At least 55 years, to be consistent with affordability terms for major affordable housing funding sources, including Low Income Housing Tax Credits and HOME funds. <input type="checkbox"/> 3. For the duration of each County lease. <input type="checkbox"/> 4. Less than 30 years. <input type="checkbox"/> 5. In perpetuity.	
Housing tenure	Not specified.	Ownership Units If an applicant is proposing to develop a project that includes rental and ownership units, the replacement and inclusionary units may all be provided in the rental component. If an applicant is proposing to develop a 100% ownership unit project, the applicant may provide rental units on-site to fulfill the replacement and inclusionary obligations. <i>Draft Policy Page 11</i>	<input type="checkbox"/> 1. Allow replacement and inclusionary housing units the flexibility to be offered as for rent or for sale. <input type="checkbox"/> 2. Require the housing tenure for replacement housing units to be comparable to the housing tenure of the unit for which the replacement unit determination is made. <input type="checkbox"/> 3. Require onsite replacement and inclusionary housing units of comparable housing tenure to market-rate units.	The advantage of allowing flexibility in housing tenure is that it may improve project feasibility and maximize the number of affordable units provided. The disadvantage is that this flexibility may allow an "access" or fair housing problem to be created when a blend of tenure types are allowed within the overall development. As Marina del Rey is almost exclusively a rental market, however, the application of this provision will be the exception, not the rule.
Housing tenure (Continued)				
Local incentives/ concessions	(INCLUSIONARY UNITS) ...In order to assist in providing new housing units, each local government shall offer density bonuses or other incentives, including, but not limited to, modification of zoning and subdivision requirements, accelerated processing of required applications, and the waiver of appropriate fees. <i>Government Code 65590 (d)</i>	(REPLACEMENT UNITS) The project feasibility analysis must include: An evaluation of impacts created by incentives available to the applicant such as density bonuses, development standards relief, and available state and local assistance programs. (Note: County rent concessions will not be made available to the applicant to comply with	<input type="checkbox"/> 1. Provide incentives and concessions for inclusionary housing units, only, on a case-by-case basis. <input type="checkbox"/> 2. Provide incentives and concessions for inclusionary and replacement housing units, on a case-by-case basis.	The advantage of providing additional local incentives for the provision of replacement units as well as inclusionary units, based on availability, is that it can help contribute to making the affordable units feasible. However, the disadvantages are that it involves a significant financial commitment from the County and that there is an opportunity cost to the funds that could be used for other public purposes, including the provision of affordable housing elsewhere. The advantage of specifying the incentives and concessions that the County is willing to give is that it provides certainty to the lessees. The disadvantage, however, is that each development is unique and subject to changing market conditions which require flexibility in negotiations to ensure that affordable housing requirements are balanced with County revenue goals.

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		<p>the applicant's replacement housing obligation pursuant to the Mello Act)....</p> <p><i>Draft Policy Page 7</i></p> <p>[INCLUSIONARY UNITS]</p> <p>The project feasibility analysis must include:</p> <p>An evaluation of impacts created by incentives available to the applicant such as density bonuses; development standards relief; and available state and local assistance programs. (Note: County rent adjustments to comply with the inclusionary housing requirement are subject to negotiation on a case-by-case basis.)....</p> <p><i>Draft Policy Page 9</i></p>	<p><input type="checkbox"/> 3. Provide a list of specific incentives and concessions for inclusionary units only.</p> <p><input type="checkbox"/> 4. Provide a list of specific incentives and concessions for replacement and inclusionary housing units.</p>	
In-lieu fee	<p>[REPLACEMENT UNITS]</p> <p>...The requirements of this subdivision for replacement dwelling units shall not apply to the following types of conversion or demolition unless the local government determines that replacement of all or any portion of the converted or demolished dwelling units is feasible, in which event replacement dwelling units shall be required:</p> <p>...The conversion or demolition of a residential structure located within the jurisdiction of a local government which has established a procedure under which an applicant for conversion or demolition will pay an in-lieu fee into a program, the various provisions of which, in aggregate, will result in the replacement of the number of dwelling units which would otherwise have been required....</p> <p><i>Government Code 65590 (b)(4)</i></p>	<p>[REPLACEMENT UNITS]</p> <p>No in-lieu fee program will be available to comply with the replacement housing obligations.</p> <p><i>Draft Policy Page 8</i></p> <p>[INCLUSIONARY UNITS]</p> <p>No in-lieu fee program will be available to comply with the inclusionary housing obligations.</p> <p><i>Draft Policy Page 10</i></p>	<p><input type="checkbox"/> 1. No in-lieu fee for replacement or inclusionary housing units.</p> <p><input type="checkbox"/> 2. Complete a study to determine and set an in-lieu fee for inclusionary housing units.</p> <p><input type="checkbox"/> 3. Complete a study to determine and set an in-lieu fee for replacement housing units.</p>	<p>The advantage of having an in-lieu fee program is that it would allow the County to capture funds for affordable housing when providing the units is determined to be infeasible. Requiring in-lieu fees is a method for obtaining funding for the County to provide affordable units when the lessee would otherwise be relieved of that responsibility because it is infeasible. However, the disadvantage is that the County would have to conduct a technical study in order to determine the appropriate in-lieu fee, which could be costly and time-consuming.</p> <p>Although the Mello Act specifies the parameters of in-lieu fee programs for replacements units, an in-lieu fee program for inclusionary units would be similar in that it could only apply when providing affordable units within three miles of the Coastal Zone is infeasible. The advantage of having an in-lieu fee program for both replacement units and inclusionary units is that it provides more funds for affordable housing. The disadvantage, however, is that an in-lieu fee program shifts the responsibility for constructing the units to the County, and given the small number of projects coming forward for entitlements in the remainder of second generation Marina redevelopment, sufficient in-lieu fees may not be generated for a viable affordable housing project.</p>

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Right of first refusal	Not specified.	None.	<input type="checkbox"/> 1. No provision for right of first refusal. <input type="checkbox"/> 2. Offer right of first refusal to the last income eligible person or family who last occupied a demolished or converted affordable residential unit upon and availability, and upon verification of income eligibility, on a first come, first basis.	The advantage of offering the right of first refusal is to give individuals and families of low or moderate income who are displaced by demolition or conversion the opportunity to return to an affordable replacement unit. The disadvantage is that it would be difficult to monitor and enforce.
Rental exemption	Not specified.	None.	<input type="checkbox"/> 1. No exemptions for rental projects. <input type="checkbox"/> 2. Conduct an upfront technical feasibility study to determine if rental developments are infeasible, and therefore exempt from Mello Act provisions.	The disadvantage of pursuing the rental housing exemption is that it requires a technical study that would be expensive and time-consuming to produce, and the exemption, if warranted, could result in substantially fewer affordable units than if there was no exemption.
Relocation assistance	Not specified.	None.	<input type="checkbox"/> 1. No provision of relocation assistance (because it is not required by the Mello Act or other statute). <input type="checkbox"/> 2. Provide relocation assistance under terms to be determined by the County and administered by the County CDC.	The advantage of offering relocation assistance is that it provides persons or families of low or moderate income, who are displaced as a result of demolition or conversion, with assistance to find and secure housing elsewhere. The disadvantage, however, is that it would require a significant financial commitment from the County or its lessees and would be difficult to administer.